**Ashfield District Council logo**

# COVID Additional Relief Fund (CARF) Scheme 2021 to 2022

1. **Introduction**

1.1 In March 2021 the government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. This fund would be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.

1.2 On the 15 December 2021 the full guidance from Department for Levelling Up, Housing and Communities (DLUHC) and local authority allocations for the scheme were published. The allocation has been based on the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the impact of COVID-19 per sector. Local authorities are expected the grant this relief within the eligibility criteria set out in government guidance using their discretionary powers under section 47 of the Local Government Finance Act 1988. Central government will fully reimburse local authorities for discretionary relief awards up the maximum level of their allocation, which is £2,718.364.00 for Ashfield District Council. This note sets out the scheme criteria and policy details.

**2. Eligibility for awards of CARF**

2.1 COVID-19 has presented a significant and unprecedented challenge for businesses and the government has provided funding to support these businesses. The CARF funding is intended to help those businesses who have been affected by the pandemic but have been ineligible for existing support linked to business rates.

2.2 The funding has been allocated to local authorities based on the estimated rateable value in each local authority rating list, which falls within the scope of the scheme, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector. The DLUHC has provided guidance to local authorities about the operation and delivery of the policy and relief will be awarded for the 2021/22 financial year <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

2.3 The relief will not be awarded to ratepayers who for the same period have been eligible for the Extended Retail Discount and the Nursery Discount, and relief will not be awarded to unoccupied hereditaments. Ashfield District Council will direct the support to ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact. The relief will not be granted to billing authorities or precepting authorities.

2.4 Relief will automatically be granted to authorities within the sectors that the highest amount of funding has been allocated for and who we have identified as most affected by the pandemic.

2.5 Within the funding allocation given relief of 30% will be provided to businesses within the following sectors – Manufacturing, Engineering, Wholesale, those businesses involved in the supply chain to affected business types, Haulage, Construction, Warehousing/Storage (not self-storage) & Distribution, Plant Hire, Mining & Quarrying, Arts Entertainment and Recreation.

2.6 Relief will be granted against the 2021/21 liability after any other reliefs or reductions have been applied. The Council will identify all eligible ratepayers and automatically award the relief to their account. The amount of relief awarded may need to be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

2.7 Funding will not be allocated to those businesses within the sectors identified in the guidance as the least impacted, which includes those of - Information and communication sector – including but not limited to mobile and telecommunication phone masts. Energy sector - including but not limited to utility providers such as gas, electricity, fuel and water and those involved in the supply chain to these industries and renewable energy providers. Advertising sector. Financial and professional services sector – including but not limited to financial advisors, insurance agents, banks, estate agents and solicitors. Other services – including but not limited to businesses including veterinary practices, funeral services, education, health sector. Water and waste management – including but not limited to waste services, recycling and water treatment providers.

2.7 Businesses with a rateable value of £250,000 and above will not be eligible for the relief. This is to ensure distribution of the available funding to as many businesses within the district as possible.

**3. Subsidy Control**

3.1 Providing discretionary relief to ratepayers is likely to amount to a subsidy. Any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK’s domestic and international subsidy control obligations as set out in the CARF government guidance <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

3.2 The CARF scheme is subject to the subsidies chapter within the UK-UE Trade and Cooperation Agreement (TCA), however there is an exemption for subsidies under the value of £2,243,000.00 per economic sector, therefore to be awarded CARF the business must not have claimed over this amount for the periods 2019/20 to 2021/22 from schemes which fell with the Small Amounts of Financial Assistance or COVID-19 related allowances.

3.3 Those businesses receiving the relief will be notified why the relief has been granted and we required to report to the authority if any such award may breach the guidance under which it was granted, for example they may not have been adversely affected by the pandemic and may have been able to adapt or they may have already reached the subsidy limits and these businesses can opt out of receiving the relief.

**4.** **Right of appeal**

**4.1** As this is a discretionary scheme there is no formal right of appeal, however, if a ratepayer is aggrieved by a decision made under this scheme, they must write and tell us why they think the decision is wrong.

**4.2** The case will be considered by someone who has not been involved in the original determination. They will thoroughly check all the information held about the property along with the details provided by the ratepayer. They could then decide not to change the decision; or change the decision and award Covid-19 Additional Relief Fund.

**4.3** We will write to tell the ratepayer what has happened, normally within 21 days of reconsidering the appeal. The formal process of appeal for any ratepayer would then be Judicial Review.

**5. Risks**

**5.1 Legal**

5.1.1 The updates to the Discretionary Rates Relief Scheme are based on directives given from DLUHC regarding eligibility criteria within the guidance.

5.1.2 There is no statutory appeals process for any decision made by the council, as good practice, on request, the council will review any decision made.

5.1.3 Subsidy control limits are followed, and businesses are advised to declare if there any breach of such limits and this will result in removal of the reliefs.

**5.2 Financial**

5.2.1 The government will reimburse councils for the cost of reliefs provided under the new measures by section 31 grants. The CARF relief scheme will be funded up to maximum support available therefore the scheme has been designed to provide support within the maximum level allowable.

5.2.2 Fully documented decisions by officers of the reliefs applied to accounts will be made to ensure all external audit requirements are fulfilled and to ensure maximum return of costs on NNDR returns to Central Government.

**5.3 Fraud**

5.3.1 The Council is committed to the fight against fraud in all its forms. A ratepayer who fraudulently receives Covid-19 Additional Relief Fund by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated and prosectutions under the Fraud Act 2006.